

Local Education Agency  
Ad Hoc Workgroup Meeting  
**February 6, 2008 Meeting Summary**

**Location:** Sacramento City Unified School District

**ATTENDEES:**

Name	Organization/Title
1. Liz Touhey	DHCS, Safety Net Financing Division
2. John DiCecco	Los Angeles Unified School District (USD)
3. Laura Baynham	Mendocino County Office of Education (COE)
4. Cathy Bennett	Sacramento City USD
5. Susan Bier	Konocti USD
6. Margie Bobe	Los Angeles USD
7. Anysia Drumheller	Butte COE
8. Sue Hamblin	Stanislaus COE
9. Brenda Higdon	Contra Costa COE
10. Michelle Cowart	Contra Costa COE
11. Greg Englar	Sonoma COE
12. Cynthia White-Piper	San Bernardino City USD
13. Cathy Bray	Los Angeles COE
14. Linda Davis-Aldritt	California Department of Education
15. Robert Powell	California Speech-Language-Hearing Association
16. Kevin Harris	Navigant Consulting, Inc.
17. Gloria Eng	Navigant Consulting, Inc.
18. Kate Drummond	Navigant Consulting, Inc.
19. Julia Hanke	Navigant Consulting, Inc.

**Handouts**

Each participant received a folder with copies of the following: Agenda, updated Paid Claims Issues Matrix, updated Paid Claims Issues Matrix Summary from the LEA Program website, LEA Program “Hot Sheet,” and Navigant Consulting’s PowerPoint presentation. In addition, meeting participants received a draft agenda for the CBO meeting on February 20<sup>th</sup> and the LEA Workgroup Issue Track.

**Purpose**

The meeting was convened by the DHCS in partnership with LAUSD. The purpose of the Workgroup is to improve the Local Educational Agency (LEA) Program. The emphasis of the meeting is to strategize various goals and activities aimed at enhancing the Medi-Cal services provided on school sites and access by students to these services, while increasing federal reimbursement to LEAs for the cost of providing these services.

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**Claims Processing Issues**

DHCS and Navigant Consulting, Inc. reported the ongoing progress made on the claims processing issues. Bi-weekly meetings between DHCS, Navigant Consulting, Inc. and EDS will continue to occur until the claims processing issues are resolved. The Workgroup was presented with updates and status on all outstanding claims processing issues. The Workgroup expressed concerns regarding the order of future Erroneous Payment Correction (EPC) implementations.

The Workgroup also discussed the monthly EDS-generated CP-O-887/CP-O-888 reports and the necessity of maintaining and modifying the report. EDS system modifications will be required in order for EDS to generate the report with multiple modifiers that differentiate service types. The Workgroup will continue to discuss this further and reach a consensus by the next meeting.

**Action:**

What: Determine prioritization of future EPC implementations.

Who: DHCS and Navigant Consulting, Inc.

When: ASAP

**Action:**

What: Determine if the CP-O-887/CP-O-888 report is useful to LEAs and necessary to maintain and modify.

Who: Workgroup Members

When: Prior to Next Workgroup Meeting

**EPC Implementation**

EDS implemented an EPC adjustment on December 26, 2007. This EPC covered three paid claims issues: (1) overpayment due to claims paid at the incorrect FMAP rate, (2) overpayment for initial treatment services that were reimbursed at the maximum allowable rate multiplied by the number of units billed (rather than one maximum allowable rate regardless of the units billed), and (3) underpayments associated with billing code 96100 paying at the amended maximum allowable rate (rather than the initial/triennial maximum allowable rate). Workgroup members discussed concerns regarding the application of the 2.5 percent Senate Bill 231 and 1 percent processing fee withholds on the EPC adjustments. Further research will be conducted to determine how the 3.5 percent withhold is accounted for in the EPC process.

DHCS was notified that according to Welfare and Institutions Code, 7 percent interest will be charged on all outstanding debts and will be automatically applied 30 days after notification of the outstanding debt. Therefore, LEAs with overpayments may be subject to the interest rate. However, DHCS is in discussions with EDS and DHCS Office of Legal Services (OLS) to discuss waiving the interest charged on outstanding debts.

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**Action:**

What: Determine the process of applying the 3.5 percent withhold on EPC adjustments.  
Who: DHCS and Navigant Consulting, Inc.  
When: ASAP

**Action:**

What: Continue discussions with EDS and OLS to determine if LEAs are subject to 7 percent interest charged and when the 30 days begins before interest is charged on outstanding overpayments.  
Who: DHCS and Navigant Consulting, Inc.  
When: ASAP

**Final Regulations on MAA and Transportation, CMS-2287-F**

CMS issued final rule 2287 (CMS-2287-F) eliminating Medicaid Administrative Claiming and Medicaid claiming for transportation of school-aged children between home and school. Implementation of LEA Medi-Cal Billing Option Program changes related to transportation will be effective as of July 1, 2008. The National Alliance for Medicaid in Education (NAME) and various interested groups are working to extend the moratorium on CMS rules and suggests LEAs contact their congressional delegates to bring this issue to their attention.

**Interim Final Rule on Targeted Case Management (TCM), CMS-2237-IFC**

CMS published an interim final rule (CMS-2237-IFC) clarifying Medicaid reimbursable targeted case management services. This rule is part of the Deficit Reduction Act and will impact federal funding for all Case Management services nationwide. The impact of the CMS interim regulations on the LEA Program is yet to be determined.

**Future LEA Training**

The Workgroup developed an online survey to identify potential training topics (available at [http://www.surveymonkey.com/s.aspx?sm=EvvYjnpJOllxsxLYo8Gdlq\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=EvvYjnpJOllxsxLYo8Gdlq_3d_3d)). The completed surveys provided insight on specific topics that may be helpful to train LEAs and vendors. Workgroup members discussed preferred training methods and potential training format. Workgroup members also expressed enthusiasm for Audits and Investigations (A&I) to present at the trainings, if feasible. The Workgroup also proposed that DHCS and Navigant Consulting, Inc. train Workgroup members so they can hold additional trainings beyond the trainings that DHCS and Navigant Consulting, Inc. present.

**Action:**

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What: Send A&I auditor names and contact information from the 2007 meeting with A&I to DHCS and Navigant Consulting, Inc.

Who: John DiCecco

When: ASAP

**Action:**

What: Contact A&I auditors to discuss their potential participation in the future LEA training.

Who: DHCS and Navigant Consulting, Inc.

When: Prior to Next Workgroup Meeting

**New Services**

Durable Medical Equipment (DME) is being considered as a potential new service under the LEA Program. Navigant Consulting, Inc. has had discussions with the Assistive Technology specialist at LAUSD and individuals in the DHCS Rates Division. Additional research and potential discussions with the California Children's Services, the Low Incidence Program, Treatment Authorization Request (TAR) Field Office and Provider Enrollment will be conducted. Potential barriers of adding DME were discussed, including issues regarding ownership, repair/replacement and liability of the equipment; prior authorization; scope of reimbursable equipment; and requirements to become a DME provider.

**Action:**

What: Schedule meetings with California Children's Services, the Low Incidence Program, Treatments Authorization Request (TAR) Field Office and Provider Enrollment.

Who: Navigant Consulting, Inc.

When: Not Specified

**Action:**

What: Compile reports on Assistive Technology Device purchases, including: number of devices, costs incurred for devices, funding source(s) and third party liability information, if available.

Who: Workgroup Members

When: Prior to Next Workgroup Meeting

**Inflation of Current Rates**

In compliance with State Plan Amendment (SPA) 03-024, DHCS must inflate the interim reimbursement rates. DHCS needs to determine whether it will be necessary to inflate rates for the past years after the SPA effective date.

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**Action:**

What: Discuss with CMS if retroactive inflation is required for each individual past year since the SPA effective date.

Who: DHCS

When: ASAP

**LEA Workgroup Issue Track:**

**Status of 2.5 percent SB 231 Withhold (Issue Track #3)**

The Workgroup was notified of the 2.5 percent withhold amounts from Fiscal Years 2005-06 and 2006-07 in previous meetings, however would like written documentation from DHCS. The Workgroup also requested notification when the FY 2007-08 \$1.5 million withhold cap has been met.

**Action:**

What: Provide documentation of 2.5 percent withhold amounts for FY 2005-06 and 2006-07 and determine a process for LEAs to recoup the excess withhold over the \$1.5 million.

Who: DHCS

When: Not Specified

**Action:**

What: Provide Workgroup with notification of when the \$1.5 million cap has been met for FY 2007-08.

Who: DHCS

When: ASAP

**2007 Report to the Legislature (Issue Track #4)**

As part of SB 231, DHCS is required to write an annual report to the Legislature. The Workgroup would like to know the status of the 2007 Legislative Report publication.

**Action:**

What: DHCS to determine the status of the March 2007 Legislative Report publication.

Who: DHCS

When: Not Specified

**Targeted Case Management (TCM) Labor Survey (Issue Track #13)**

The Workgroup stated that the TCM Labor Survey does not include instructions and a mailing address to submit the TCM Labor Survey.

**Action:**

What: Determine address and contact for LEAs to send completed TCM Labor Surveys and post the updated TCM Labor Survey on the LEA website.

Who: DHCS and Navigant Consulting, Inc.

When: ASAP

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**Provider Participation Agreement (Issue Track #14)**

The Workgroup stated that the Provider Participation Agreement posted on the LEA website is outdated. In addition, according to the Workgroup the contact at the California Department of Education (CDE) is no longer the appropriate person to send the completed forms.

**Action:**

What: Determine new CDE contact to send completed Provider Participation Agreements and post the updated Provider Participation Agreement on the LEA website.

Who: DHCS and Navigant Consulting, Inc.

When: ASAP

**Future Workgroup Meeting**

The next Workgroup meeting for DHCS and providers will be held in Sacramento on Wednesday, April 2.